

Message Text

PAGE 01 STATE 174097
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FOR ECOSOC DELEGATION

FOLLOWING REPEAT PARIS 21579 SENT ACTION BONN, USUN NEW YORK 07 JUL 7
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QUOTE LIMITED OFFICIAL USE PARIS 21579

USOECD

PASS E FOR UNDER SECRETARY COOPER; EUR/RPE FOR LAASE

E.O. 11652: N/A

TAGS: EGEN, OECD

SUBJECT: ANNOTATED AGENDA FOR JULY 18 XCSS MEETING

REFS: PARIS 19972; PARIS 20709

SECRETARIAT HAS ISSUED ANNOTATED AGENDA CE/A(78)15
(PROV.) FIRST REVISION DATED JULY 4 FOR NEXT XCSS
MEETING. TEXT FOLLOWS:

EXECUTIVE COMMITTEE

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PAGE 02 STATE 174097

24TH SPECIAL SESSION TO BE HELD
AT THE CHATEAU DE LA MUETTE, PARIS,
ON TUESDAY, 18TH JULY, 1978, AT 10:30 A.M. AND 3:15 P.M.

AGENDA

1. ADOPTION OF THE AGENDA
2. COMMITTEE OF THE WHOLE ESTABLISHED BY THE GENERAL
ASSEMBLY OF THE UNITED NATIONS UNDER RESOLUTION

32/174

(FOR REFERENCE: CES/UN(78)3 AND APPENDIX)

3. FUTURE WORK OF THE EXECUTIVE COMMITTEE IN SPECIAL
SESSION

INTRODUCTION BY THE SECRETARY-GENERAL

4. OTHER BUSINESS

ANNEX

ANNOTATIONS TO THE AGENDA

AGENDA ITEM 2 - COMMITTEE OF THE WHOLE ESTABLISHED BY
THE GENERAL ASSEMBLY OF THE UNITED NATIONS UNDER
RESOLUTION 32/174

1. MEMBERS OF THE EXCSS MAY WISH TO CONSIDER TOGETHER
THEIR GENERAL ATTITUDE TOWARDS THE COMMITTEE OF THE
WHOLE AND ITS SUITABILITY OR OTHERWISE AS A FORUM FOR
THE CONTINUATION OF THE "DIALOGUE".
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PAGE 03 STATE 174097

2. INFORMAL CONSULTATIONS BY THE CHAIRMAN ARE
ENVISAGED BEFORE THE NEXT MEETING OF THE COMMITTEE OF
THE WHOLE, AND OECD MEMBER COUNTRIES MAY WISH TO HAVE
A CLEARER VIEW OF THEIR GENERAL ATTITUDE TOWARDS THE
ROLE OF THE COMMITTEE BEFORE THESE TAKE PLACE. THE
POINTS AT ISSUE MIGHT BE CONSIDERED UNDER THE FOLLOWING
HEADINGS:

- (I) THE ROLE OF THE COMMITTEE;
- (II) METHODS OF WORK AND FORM OF CONCLUSIONS;
- (III) SUBSTANTIVE ISSUES TO BE CONSIDERED BY
THE "OVERVIEW" COMMITTEE

I. THE ROLE OF THE COMMITTEE

3. THE COMMITTEE WAS ESTABLISHED UNDER UNGA RESOLUTION
32/174. THE OPERATIVE PARAGRAPH 4 OF THAT RESOLUTION
STATES:

"4. DECIDES FURTHER THAT THIS COMMITTEE SHALL
ASSIST THE GENERAL ASSEMBLY BY ACTING AS THE FOCAL POINT
IN:

- (A) OVERSEEING AND MONITORING THE IMPLEMENTA-
TION OF DECISIONS AND AGREEMENTS REACHED
IN THE NEGOTIATIONS ON THE ESTABLISHMENT

OF THE NEW INTERNATIONAL ECONOMIC ORDER IN
THE APPROPRIATE BODIES OF THE UNITED
NATIONS SYSTEM;

(B) PROVIDING IMPETUS FOR RESOLVING DIFFICUL-
TIES IN NEGOTIATIONS AND FOR ENCOURAGING
THE ONGOING WORK IN THESE BODIES;

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PAGE 04 STATE 174097

(C) SERVING, WHERE APPROPRIATE, AS A FORUM FOR
FACILITATING AND EXPEDITING AGREEMENT ON
THE RESOLUTION OF OUTSTANDING ISSUES; AND

(D) EXPLORING AND EXCHANGING VIEWS ON GLOBAL
ECONOMIC PROBLEMS AND PRIORITIES."

HOWEVER, NO AGREEMENT HAS BEEN REACHED ON THE PRECISE
ROLE THE COMMITTEE SHOULD PLAY. THE DEVELOPED COUNTRIES
HAVE GENERALLY PRESSED THE VIEW THAT THE COMMITTEE
REPRESENTS A FORUM FOR EXCHANGE OF VIEWS, FOR REVIEW
AND FOR OVERSEEING OTHER WORK IN THE "DIALOGUE", BUT NOT
A BODY THAT WOULD INVOLVE ITSELF OR INTERVENE IN ON-
GOING NEGOTIATIONS ELSEWHERE. MOST OF THE GROUP OF
77, ON THE OTHER HAND, HAVE SOUGHT TO INTERPRET THE
TERMS OF REFERENCE IN SUCH A WAY TO TURN THE COMMITTEE
VIRTUALLY INTO A HIGHER-LEVEL NEGOTIATING FORUM, WHILE
AT THE SAME TIME ACKNOWLEDGING THAT IT SHOULD NOT
DUPLICATE THE WORK OF OTHER UN BODIES. THE EXCSS MAY
THEREFORE WISH TO CONSIDER WHETHER THERE IS SOME MIDDLE
GROUND BETWEEN THESE TWO POSITIONS WHICH WOULD ENABLE
THE COMMITTEE OF THE WHOLE TO PLAY A USEFUL ROLE IN
THE CONTINUATION OF THE "DIALOGUE". THE EXCSS MAY WISH
TO EXCHANGE VIEWS ON THE ROLE OF THE COMMITTEE OF THE
WHOLE. POSSIBILITIES MIGHT BE FOR THIS UN COMMITTEE TO:

- (A) BROADLY DISCUSS INTER-RELATED SUBJECTS;
- (B) DISCUSS NARROWER AND MORE SPECIFIC TOPICS
NOT DEALT WITH IN OTHER UN BODIES (SUCH AS
INVESTMENT AND ENERGY);
- (C) ACT AS A CATALYST TO REACTIVATE STALLED
NEGOTIATIONS ELSEWHERE.

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PAGE 05 STATE 174097

THESE ARE NOT, OF COURSE, MUTUALLY EXCLUSIVE COURSES OF
ACTION. THE MEMBERS OF THE EXCSS MIGHT ALSO DISCUSS TO

WHAT EXTENT THE COMMITTEE OF THE WHOLE MIGHT BE UTILISED AS A MEANS OF LAUNCHING NEW INITIATIVES BY THE DEVELOPED COUNTRIES.

4. THE LEVEL OF REPRESENTATION AT THE COMMITTEE OF THE WHOLE WILL CLEARLY BE FUNDAMENTAL TO DETERMINING ITS ROLE, AND VICE-VERSA. THIS POINT IS CONSIDERED UNDER THE FOLLOWING SUB-ITEM:

II. METHODS OF WORK AND FORM OF CONCLUSIONS

IN DECIDING UPON THEIR REPRESENTATION FOR THE MEETINGS OF THE COMMITTEE OF THE WHOLE, THE GROUP OF 77, WITH ONLY FEW EXCEPTIONS, HAVE CHOSEN TO BE REPRESENTED BY THEIR DELEGATIONS IN NEW YORK, WHEREAS OECD MEMBERS HAVE BEEN REPRESENTED, FOR AT LEAST PART OF THE MEETINGS, BY MINISTERS OR SENIOR OFFICIALS. THE NEW YORK DELEGATIONS OF THE GROUP OF 77 COUNTRIES INSISTED ON TURNING THE MEETING INTO A TRADITIONAL UN-TYPE NEGOTIATION ON TEXTS. THIS RESULTED BOTH IN A FAILURE TO ACHIEVE A REAL FRAMEWORK FOR HIGH-LEVEL EXCHANGES OF VIEWS, AND ALSO PREVENTED REACHING NEGOTIATED, WRITTEN CONCLUSIONS OF THE COMMITTEE'S DISCUSSIONS. THE EXCSSL MAY WISH TO CONSIDER HOW THIS SITUATION MIGHT BE IMPROVED.

5. AS TO THE FORM OF CONCLUSIONS OF THE MEETING, THERE WOULD APPEAR TO BE, THEORETICALLY, THREE POSSIBLE SOLUTIONS. THE FIRST OPTION COULD BE A SUMMING-UP BY THE CHAIRMAN, ON HIS OWN RESPONSIBILITY - A SOLUTION MUCH PREFERRED BY OECD MEMBER COUNTRIES. HOWEVER, IT SEEMS UNLIKELY THAT THE GROUP OF 77 WOULD BE WILLING TO ACCEPT SUCH A SOLUTION SINCE IT WOULD NOT PROVIDE THEM WITH THE "PROGRESS" THEY ARE SEEKING.

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PAGE 06 STATE 174097

SECOND, CONCLUSIONS AGREED INFORMALLY WITH DELEGATIONS MIGHT BE CONSIDERED, BUT THE DISCUSSION OF TEXTS BY THE "FRIENDS" OF THE CHAIRMAN AT THE MAY SESSION DOES NOT AUGUR WELL FOR THIS OPTION. THE THIRD MIGHT BE CONCLUSIONS OF THE CHAIRMAN, BROADLY AGREED BY CONSENSUS. THE EXCSSL MIGHT CONSIDER WHAT TYPE OF CONCLUSION MIGHT BE ACCEPTABLE TO THEM, WHICH WOULD AT

THE SAME TIME GO SOME WAY TOWARDS MEETING THE DEMANDS OF THE 77. IT WOULD BE UNREALISTIC TO THINK THAT THE MEETINGS COULD BE CONDUCTED WITHOUT CONCLUSIONS OF SOME SORT IN VIEW OF THE REQUIREMENT TO REPORT TO THE GENERAL ASSEMBLY OF THE UN AT ITS 33RD SESSION, IF NOTHING ELSE.

III SUBSTANTIVE ISSUES TO BE CONSIDERED BY THE
"OVERVIEW" COMMITTEE (1)

(A) FIRST (SUBSTANTIVE) SESSION

6. THE COMMITTEE IS TO RESUME ITS MAY SESSION, FOR ONE DAY, ON 5TH SEPTEMBER. THE AGENDA WILL THUS BE THE SAME AS THAT FOR THE MAY SESSION, I.E.:

(1) IN THE APPENDIX ATTACHED TO THESE ANNOTATIONS, DELEGATES WILL FIND COMMENTS ON THE ISSUES FOR DISCUSSION AT THE COMMITTEE OF THE WHOLE.

- "REVIEW AND ASSESSMENT..." (ITEM 1)

- "TRANSFER OF RESOURCES..." (ITEM 2)

- "OVERSEEING AND MONITORING..." (ITEM 3)

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PAGE 07 STATE 174097

AND "IMPETUS..." AND "...RESOLUTION OF OUTSTANDING ISSUES" (ITEM 4), WHICH HAVE BEEN TREATED TOGETHER; AND PRESUMABLY ALSO:

"AGENDA AND PREPARATION OF THE NEXT SESSION" (ITEM 5): THE NEXT SESSION STARTING ON 6TH SEPTEMBER.

ODA AND PRIVATE INVESTMENT

7. IT IS EXPECTED THAT THE QUESTION OF ODA WILL BE FURTHER DISCUSSED AT THE COMMITTEE OF THE WHOLE IN SEPTEMBER, WHEN DONORS ARE ALSO LIKELY TO BE PRESSED FOR FURTHER INFORMATION ON IMPLEMENTATION OF THE CIEC SPECIAL ACTION PROGRAMME (CF. APPENDIX TO CES/UN(78)3, ITEM 2, ON ODA). PARTICIPANTS AT THE EXECUTIVE COMMITTEE IN SPECIAL SESSION MAY ALSO WISH TO CONSIDER HOW DISCUSSIONS ON THE "MASSIVE TRANSFER OF RESOURCES" SHOULD BE PURSUED, AT THE SEPTEMBER SESSION OF THE COMMITTEE OF THE WHOLE, WITH REPRESENTATIVES OF DEVELOPING COUNTRIES.

TRADE AND COMMODITIES

8. DISCUSSION ON TRADE ISSUES AT THE SEPTEMBER SESSION MAY WELL BE LARGELY CONDITIONED BY THE DEGREE OF PROGRESS MADE BY THAT TIME, IN THE MTN.

9. SIMILARLY, WHILE THERE HAD BEEN VIRTUAL AGREEMENT ON WORDING ON THE COMMON FUND IN MAY, DISCUSSION ON THIS MATTER IN SEPTEMBER WILL DEPEND ON DEVELOPMENTS IN

UNCTAD CONCERNING A RESUMPTION OF THE NEGOTIATING
CONFERENCE.

10. PARTICIPANTS AT THE EXECUTIVE COMMITTEE IN SPECIAL
SESSION MAY WISH TO CONSIDER WHETHER - AND IF SO HOW -
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PAGE 08 STATE 174097

TO INTRODUCE AT THE COMMITTEE OF THE WHOLE THE CONCEPT
OF DIFFERENTIATION AND GRADUATION AS BETWEEN DEVELOPING
COUNTRIES.AT VARYING STAGES OF ECONOMIC F DEVELOPMENT.

MONETARY ISSUES

11. TO SOME EXTENT, THE PROBLEMS WHICH AROSE AT THE
MAY SESSION STEMMED FROM DIFFERENCES OF VIEW AS TO THE
ROLE OF THE COMMITTEE OF THE WHOLE - IN THIS INSTANCE,
IN RELATION TO THE IMF. PARTICIPANTS AT THE EXECUTIVE
COMMITTEE IN SPECIAL SESSION, IN THE LIGHT OF THEIR
DISCUSSION ON THE ROLE OF THE COMMITTEE OF THE WHOLE,
MAY WISH TO CONSIDER HOW THIS PROBLEM MIGHT BE HANDLED
AT THE SEPTEMBER SESSION. ONE POSSIBILITY, FOR EXAMPLE,
MIGHT BE TO WORK TOWARDS A GENERALLY ACCEPTABLE TEXT
AND WHERE THERE ARE DIFFERENCES INCORPORATING THE VIEWS
OF THE DEVELOPING COUNTRIES, WHICH WOULD BE CLEARLY
ATTRIBUTED TO THEM.

ENERGY IN THE CONTEXT OF THE WORLD ECONOMY

12. IN THE INTEREST OF DISCUSSING ENERGY ISSUES IN
THE OVERALL CONTEXT OF THE WORLD ECONOMY, MEMBER COUN-
TRIES MAY WISH TO PURSUE THEIR APPROACH AIMED AT BETTER
UNDERSTANDING OF THE RELATIONSHIP BETWEEN ENERGY
SUPPLY AND ECONOMIC DEVELOPMENT AND TO ENCOURAGE THE
PROPOSED STUDY BY THE UN IN THIS RESPECT. THE QUESTION
OF ENSURING ADEQUATE INVESTMENT IN THE ENERGY SECTOR,
TOGETHER WITH OTHER SECTORS, COULD BE DISCUSSED IN
THIS CONTEXT. THE ARGUMENTS OF THE GROUP OF
77 FOR ENERGY CONSERVATION AND FOR THE DEVELOPMENT OF
INDIGENOUS SOURCES OF ENERGY COULD BE DEALT WITH BETTER
IN THE CONTEXT OF DISCUSSION ON THE CONVENING OF AN
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PAGE 09 STATE 174097

INTERNATIONAL CONFERENCE ON NEW AND RENEWABLE SOURCES
OF ENERGY, AS THE UN SECRETARIAT WILL PROPOSE AT THE
SUMMER SESSION OF THE ECOSOC.

(B) SECOND (SUBSTANTIVE) SESSION

WORLD FOOD PROBLEMS AND AGRICULTURAL DEVELOPMENT

13. WHILE FOOD AND AGRICULTURE ARE IMPORTANT FACTORS IN THE BASIC NEEDS STRATEGY AND IN THE STEPPED-UP INVESTMENT PROGRAMME, DELEGATES MIGHT WISH TO DISCUSS APPROACHES TO THE TARGET FOR EXTERNAL ASSISTANCE FOR INCREASING FOOD PRODUCTION OF 8.3 BILLION DOLLARS AT 1975 PRICES WHICH THE GROUP OF 77 IS LIKELY TO RAISE AT THE SECOND SESSION. DELEGATES MIGHT ALSO REFLECT ON THEIR POSITIONS ON ISSUES RELATING TO TRADE IN AGRICULTURAL PRODUCTS IN THE MTN OR AS A FOLLOW-UP TO THESE NEGOTIATIONS WHICH THE GROUP OF 77 MAY RAISE AT THE SESSION.

LIMA DECLARATION AND INDUSTRIALISATION

14. THE PROVISIONS FOR PROPER INDUSTRIAL ADJUSTMENT POLICIES AND THE TRANSFER OF PRIVATELY OWNED TECHNOLOGY ARE LIKELY TO BE THE TWO MOST IMPORTANT ISSUES FOR DISCUSSION. DELEGATES MAY WISH TO EXPLORE THE SCOPE FOR DISCUSSION IN THESE AREAS. THEY MAY ALSO WISH TO DISCUSS THE IMPLICATIONS OF THE POSSIBLE TRANSFORMATION OF UNIDO INTO A SPECIALISED AGENCY.

LEAST-DEVELOPED, LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES

15. CONSIDERABLE ATTENTION HAVING BEEN PAID IN INTERNATIONAL CONFERENCES IN RECENT YEARS TO THE LEAST-DEVELOPED COUNTRIES, THE MAJOR ISSUE IS TO TRANSFORM LIMITED OFFICIAL USE
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PAGE 10 STATE 174097

GENERAL COMMITMENTS (E.G. THE TOKYO DECLARATION) INTO CONCRETE POLICIES AND TO IMPLEMENT THEM ON THE PART OF THE DONOR COUNTRIES. DELEGATES MAY WISH TO DISCUSS CONCRETE ACTIONS TAKEN OR ABOUT TO BE TAKEN BY THEIR COUNTRIES IN FAVOUR OF THE LEAST-DEVELOPED COUNTRIES.

AGENDA ITEM 3 - FUTURE WORK OF THE EXECUTIVE COMMITTEE
IN SPECIAL SESSION

16. THE SECRETARY-GENERAL WILL INTRODUCE THIS ITEM ORALLY IN ORDER TO HAVE AN EXCHANGE OF VIEWS ON POSSIBLE FUTURE WORK RESULTING FROM THE OECD COUNCIL AT MINISTERIAL LEVEL. FUTURE WORK MIGHT INCLUDE DISCUSSION OF INCREASED INVESTMENT FLOWS TO DEVELOPING COUNTRIES, THE FOLLOW-UP TO THE GENERAL ORIENTATIONS ON POSITIVE ADJUSTMENT, AND EAST/WEST RELATIONS.

FOR INFORMATION:

PAPER IN PREPARATION

ANNEX II TO C(78)96 (FINAL), ALREADY CIRCULATED

CES/78.54, ALREADY CIRCULATED

APPENDIX

COMMENTS ON ISSUES FOR DISCUSSION AT THE SEPTEMBER 1978

SESSIONS OF THE COMMITTEE OF THE WHOLE

A. RESUMED FIRST (SUBSTANTIVE) SESSION

1. AN INFORMAL ACCOUNT OF THE DISCUSSIONS AT THE MAY SESSION OF THE COMMITTEE, CIRCULATED AS (ES/UN (78)3, FOLLOWED THE ORDER OF THE ABOVE AGENDA ITEMS AND LIMITED OFFICIAL USE
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PAGE 11 STATE 174097

REPRODUCED, AS AN APPENDIX, THE TEXTS WHICH HAD BEEN UNDER DISCUSSION AT THAT TIME. SINCE THEN, THE BUREAU OF THE COMMITTEE HAS MET IN NEW YORK AND HAS AUTHORISED THE CIRCULATION OF "CONSOLIDATED" TEXTS. THESE "CONSOLIDATED" TEXTS MAY BE THE BASIS FOR DISCUSSION AT THE RESUMED SESSION ON 5TH SEPTEMBER (ALTHOUGH IT APPEARS THAT ONE SUGGESTION THAT HAS BEEN MADE IS THAT IT MIGHT BE PREFERABLE TO ENVISAGE A NEW AND DIFFERENT APPROACH TO THE OUTCOME OF THIS SESSION).

2. ALTHOUGH NONE OF THE TEXTS HAS BEEN FORMALLY ADOPTED, THOSE RELATING TO ITEMS 3 AND 4 WERE, BROADLY SPEAKING, CLOSE TO BEING ACCEPTABLE AND THE UN-BRACKETED TEXTS IN THE FIRST FOUR PARAGRAPHS RELATING TO ITEM 1 (CF. APPENDIX TO CES/UN (78) 3), WERE ACCEPTED AD REFERENDUM. THESE FOUR PARAGRAPHS RELATING TO ITEM 1 CONTAIN SOME AGREED ASSESSMENT OF THE OUTLOOK OF THE WORLD ECONOMY, E.G. NEED FOR CONCERTED ACTION DIRECTED BOTH TO COUNTER-CYCLICAL DEMAND MANAGEMENT AND TO STRUCTURAL CHANGES KEEPING PACE WITH THE INCREASING ROLE OF DEVELOPING COUNTRIES; FAVOURABLE EFFECTS OF ACCELERATED GROWTH OF THE LATTER ON DEMAND AND EMPLOYMENT IN DEVELOPED ECONOMIES; NEED FOR RESTORING CONFIDENCE IN THE SUSTAINED GROWTH OF THE WORLD ECONOMY AND INVESTMENT PROSPECTS. IN THE LIGHT OF THE INTER-RELATIONS BETWEEN ITEMS 1 AND 2 EMERGING AT THE LAST SESSION, MEMBER COUNTRIES MAY WISH TO CONSIDER WHETHER THESE AGREEMENTS COULD PROVIDE AN APPROPRIATE 'TOILE DE FOND' FOR DISCUSSIONS NOT ONLY ON THE TRANSFER OF RESOURCES BUT ALSO ON VARIOUS MAJOR ISSUES WITH WHICH THE COMMITTEE WILL DEAL IN FUTURE.

3. THE MAIN OUTSTANDING PROBLEMS THUS RELATE TO THE REMAINING PART OF ITEM 1 AND TO ITEM 2. MOST OF THE DISCUSSION TOOK PLACE UNDER THE HEADING "TRANSFER OF

RESOURCES". AT THE RISK OF OVERSIMPLIFICATION, THE
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PAGE 12 STATE 174097

PROBLEMS DISCUSSED MIGHT BE GROUPED AS FOLLOWS:

ODA AND PRIVATE INVESTMENT AND RELATED ASPECTS OF:

TRADE AND COMMODITIES;

MONETARY ISSUES; AND ALSO

ENERGY IN THE CONTEXT OF THE WORLD ECONOMY.
ODA AND PRIVATE INVESTMENT

4. DISCUSSION AT THE COMMITTEE ON THE MASSIVE TRANSFER OF RESOURCES BROUGHT OUT THE NOTION OF MUTUALITY OF INTEREST BETWEEN DEVELOPED AND DEVELOPING COUNTRIES. REPRESENTATIVES OF THE LATTER EMPHASIZED THAT SUCH TRANSFERS SHOULD TAKE PLACE WITHIN A DYNAMIC CONTEXT OF STRUCTURAL REFORM. THEY ALSO PRESSED FOR ACTION ON IMPROVED ODA, BUT NO AGREEMENT WAS REACHED ON THE WORDING ON THIS SUBJECT.

5. SINCE THE MAY SESSION OF THE COMMITTEE, THERE HAVE BEEN DISCUSSIONS IN THE OECD, NOTABLY AT THE DAC MEETING AT SENIOR LEVEL ON 23RD MAY AND AT THE MEETING OF THE COUNCIL AT MINISTERIAL LEVEL ON MEASURES TO ENCOURAGE INVESTMENT IN DEVELOPING COUNTRIES IN AREAS OF MUTUAL INTEREST. THE SECRETARIAT IS PREPARING A REVISED VERSION OF ITS EARLIER PAPER WHICH ATTEMPTS TO CAST THE INVESTMENT PROPOSAL IN MORE OPERATIONAL TERMS.

TRADE AND COMMODITIES

6. AT THE MAY SESSION OF THE COMMITTEE OF THE WHOLE,
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PAGE 13 STATE 174097

THE GENERAL THESES ADVOCATED BY DEVELOPING COUNTRIES, IN THE TRADE FIELD, WERE THE NEED FOR IMPROVED TERMS OF TRADE, TO PROMOTE THE PURCHASING POWER OF THEIR EXPORTS, AND TO RESIST PROTECTIONISM. ON THE MTN, THEY TENDED TO SEEK WORDING WHICH WENT BEYOND THE PROVISIONS OF THE TOKYO DECLARATION.

MONETARY ISSUES

7. THERE WERE MAJOR DIFFERENCES OF VIEW BETWEEN

DEVELOPED AND DEVELOPING COUNTRIES, AT THE MAY SESSION OF THE COMMITTEE OF THE WHOLE. TWO ALTERNATIVE TEXTS WERE PREPARED. NO AGREEMENT OF THEM BEING REACHED, THE CONFLICT IN THIS AREA WAS ONE OF THE FACTORS LEADING TO THE SUSPENSION OF THE SESSION. THE GROUP OF 77 URGED SPEEDY COMPLETION OF THE DEVELOPMENT COMMITTEE'S STUDY OF THE ADEQUACY OF EXPORT EARNING STABILIZATION MECHANISMS, AND QUICK START OF THE OPERATIONS OF THE SUPPLEMENTARY CREDIT FACILITY. THE DEVELOPING COUNTRIES ADVOCATED THAT SDR'S SHOULD BE MADE THE CENTRAL RESERVE ASSET OF THE INTERNATIONAL MONETARY SYSTEM AND THAT THE SEVENTH GENERAL REVIEW OF IMF QUOTAS SHOULD BE COMPLETED URGENTLY. IN THIS CONTEXT THEY FURTHER PROPOSED THAT THERE SHOULD BE CONTINUED CONSIDERATION BY THE IMF OF QUOTA REVIEWS, CONDITIONALITY AND LIBERALIZATION OF THE COMPENSATORY FACILITY.

ENERGY IN THE CONTEXT OF THE WORLD ECONOMY

8. AT THE MAY SESSION, REPRESENTATIVES OF A NUMBER OF MEMBER COUNTRIES HAD SOLEMNIZED THE CRUCIAL AND PERVASIVE ROLE OF ENERGY IN THE STABLE GROWTH OF THE WORLD ECONOMY. THE UN SECRETARIAT HAD PROPOSED A STUDY AND DISCUSSIONS ON THIS QUESTION, TOGETHER WITH INVESTMENT PROSPECTS IN ENERGY DEVELOPMENT. DEVELOPING LIMITED OFFICIAL USE
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PAGE 14 STATE 174097

COUNTRIES, WHILE MAINTAINING THEIR ADVOCACY OF A LINKAGE BETWEEN ENERGY AND OTHER NIEO ISSUES, PUT FORWARD COUNTER ARGUMENTS, FOR CONSERVATION OF NON-RENEWABLE ENERGY BY DEVELOPED COUNTRIES AND FOR THE TRANSFER OF TECHNOLOGY AND CAPITAL IN ORDER TO DEVELOP CONVENTIONAL AND NON-CONVENTIONAL SOURCES OF ENERGY IN DEVELOPING COUNTRIES FOR THEIR WELL-BEING.

B. SECOND (SUBSTANTIVE) SESSION

9. IMMEDIATELY FOLLOWING THE RESUMED MAY SESSION, THE COMMITTEE IS TO TURN TO THE QUESTIONS WHICH HAD ORIGINALLY BEEN SCHEDULED FOR THE JUNE SESSION. THESE ARE:

- MEASURES REGARDING WORLD FOOD PROBLEMS AND AGRICULTURAL DEVELOPMENT;
- THE LIMA DECLARATION AND PLAN OF ACTION AND THE STRENGTHENING OF THE INDUSTRIAL CAPACITY OF THE DEVELOPING COUNTRIES;
- PROBLEMS OF THE LEAST-DEVELOPED, LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES.

WORLD FOOD PROBLEMS AND AGRICULTURAL DEVELOPMENT

10. THE DISCUSSION ON FOOD AND AGRICULTURE IS LIKELY TO FOCUS ON THE MAJOR ISSUES IDENTIFIED SINCE THE WORLD FOOD CONFERENCE OF 1974, I.E., INCREASE IN AGRICULTURAL PRODUCTION THROUGH MOBILIZATION OF INTERNAL RESOURCES AND EXTERNAL ASSISTANCE; IMPROVEMENT OF NUTRITION; FOOD AID; FOOD SECURITY; AND TRADE. SINCE THE 1974 CONFERENCE THESE ISSUES HAVE LIMITED OFFICIAL USE
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PAGE 15 STATE 174097

BEEN CONSIDERED IN VARIOUS FORA, INCLUDING THE CIEC, AND ACTION HAS BEEN TAKEN BY DEVELOPING AND DEVELOPED COUNTRIES. THE FOURTH MINISTERIAL SESSION OF THE WORLD FOOD COUNCIL WHICH WAS HELD IN MEXICO CITY FROM THE 12TH-15TH JUNE, 1978, PROVIDED THE MOST RECENT OPPORTUNITY TO ASSESS THE WORLD FOOD SITUATION AND TO REVIEW AND RECOMMEND POLICY ACTIONS. THE "MEXICO DECLARATION" OF THE WORLD FOOD COUNCIL (WFC/1978/11) OUTLINES THE PRESENT SITUATION AS REGARDS FOOD AND AGRICULTURE. SINCE THE WORLD FOOD COUNCIL ALREADY HAS A MANDATE TO SERVE AS AN "OVER-VIEW" AND CO-ORDINATING MECHANISM FOR ALL UN ACTIVITIES RELATED TO FOOD AND AGRICULTURE, THERE MAY BE PROBLEMS IN DEFINING ITS RELATIONSHIP WITH THE COMMITTEE OF THE WHOLE AND THE EXTENT TO WHICH THE COMMITTEE MAY BE ABLE TO ACHIEVE FURTHER PROGRESS ON THE RESULTS OF THE MEXICO MEETING. FURTHERMORE, THE UN CONFERENCE ON CEREALS TO REPLACE THE EXISTING INTERNATIONAL WHEAT AGREEMENT AND TO REVIEW THE FOOD AID CONVENTION WILL RECONVENE IN SEPTEMBER IN GENEVA; IT HAS, OF COURSE, A DECISIVE BEARING ON FOOD SECURITY AND FOOD AID.

11. AS FAR AS AGRICULTURAL PRODUCTION IS CONCERNED, THE MAJOR PHENOMENON IS THE CONTINUING DETERIORATION OF THE FOOD SITUATION IN THE POORER DEVELOPING COUNTRIES (PER CAPITA PRODUCTION HAS DECLINED IN THIS GROUP OF COUNTRIES SINCE THE BEGINNING OF THE DECADE). INTENSIFIED EFFORTS ARE THEREFORE REQUIRED. IT IS RECOGNIZED THAT DEVELOPING COUNTRIES THEMSELVES MUST MOBILIZE MORE DOMESTIC RESOURCES FOR FOOD PRODUCTION AND THAT THEY MUST CONSEQUENTLY STRIVE TO REDUCE THE SOCIO-ECONOMIC CONSTRAINTS ON THIS ENDEAVOR. THE NEED FOR AN INCREASE IN THE VOLUME OF EXTERNAL ASSISTANCE AND THE IMPROVEMENT OF THE TERMS OF AID ARE ALSO RECOGNIZED. HOWEVER, THERE WAS A DIFFICULT DISCUSSION IN MEXICO ON THIS TOPIC AS DEVELOPING LIMITED OFFICIAL USE
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PAGE 16 STATE 174097

COUNTRIES WANTED TO SET AN OFFICIAL TARGET, FOR EXTERNAL ASSISTANCE TO FOOD AND AGRICULTURE, BASED ON THE ESTIMATE OF 8.3 BILLION DOLLARS AT 1975 PRICES. THIS DEBATE IS LIKELY TO BE RE-OPENED. IT RAISES TWO FUNDAMENTAL QUESTIONS: WHETHER THE SECTORAL TARGET IS ACCEPTABLE; AND WHETHER THE EXISTING ESTIMATES ARE SUFFICIENTLY RELIABLE. THE SUBSTANTIAL INCREASE IN AID TO AGRICULTURE RECORDED IN 1977, AFTER THE REDUCTION OF 1976, IS A POSITIVE FACTOR TO WHICH REPRESENTATIVES OF MEMBER COUNTRIES MAY WISH TO CALL ATTENTION.

12. AN IMPORTANT PROGRAM FOR IMPROVEMENT OF NUTRITION WAS ACCEPTED IN THE MEXICO DECLARATION AND THE ACC SUB-COMMITTEE ON NUTRITION IS EXPECTED TO PROVIDE THE NECESSARY SUPERVISION FOR THESE ACTIVITIES.

13. AS REGARDS FOOD AID, THE MAJOR QUESTION IS WHETHER THE 10 MILLION TON TARGET CAN BE EMBODIED IN THE FOOD AID CONVENTION ITSELF, THEREBY BECOMING A COMMITMENT ONLY ON THE PART OF SIGNATORIES TO THE CONVENTION; OR WHETHER THIS COMMITMENT SHOULD RELATE TO THE INTERNATIONAL COMMUNITY AS A WHOLE. ALL OF THE QUESTIONS RELATED TO FOOD SECURITY ARE COVERED BY THE CEREALS NEGOTIATIONS. THEY CONCERN MAINLY: THE VOLUME OF STOCKS; THE PRICE RANGE; AND SPECIAL TREATMENT FOR DEVELOPING COUNTRIES (ACCESS TO THE RESERVE SYSTEM, ASSISTANCE TO THE ACQUISITION AND MAINTENANCE OF RESOURCES, EXEMPTION FROM OBLIGATIONS RELATED TO ADJUSTMENTS IN PRODUCTION AND UTILIZATION, ETC.) IT IS IMPORTANT TO NOTE THAT THE WORLD FOOD COUNCIL RECOMMENDED THAT THE INTERNATIONAL EMERGENCY RESERVE OF 500,000 TONS OF CEREALS, PLACED AT THE DISPOSAL LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 17 STATE 174097

OF THE WORLD FOOD PROGRAMME, BE ESTABLISHED AS A PERMANENT MECHANISM IRRESPECTIVE OF THE RESULTS OF THE CEREALS NEGOTIATIONS.

14. THE DISCUSSIONS ON TRADE RAISED DIFFICULT PROBLEMS IN MEXICO. IT SEEMS UNLIKELY THAT THE COMMITTEE OF THE WHOLE WILL BE ABLE TO ARRIVE AT CONCLUSIONS VERY DIFFERENT FROM THOSE EMBODIED IN THE MEXICO DECLARATION, IN PARTICULAR IN VIEW OF THE CURRENT NEGOTIATIONS SUCH AS THE MTN.

LIMA DECLARATION AND INDUSTRIALIZATION

15. THE LIMA DECLARATION AND PLAN OF ACTION, WHICH WAS ADOPTED BY THE SECOND GENERAL CONFERENCE OF UNIDO IN

MARCH 1975, SETS OUT THE BASIC INDUSTRIALIZATION OBJECTIVES OF THE DEVELOPING COUNTRIES IN THE COURSE OF THE REST OF THE CENTURY. AIMING AT "AT LEAST 25 PER CENT OF TOTAL WORLD INDUSTRIAL PRODUCTION BY THE YEAR 2000," THE DEVELOPING COUNTRIES SEEK TO EXPAND DOMESTIC INDUSTRIAL PROCESSING OF NATURAL RESOURCES, TO ENHANCE TRANSFER OF TECHNOLOGY HELD BY PRIVATE COMPANIES OF INDUSTRIALIZED COUNTRIES, AND TO DEVELOP SAFEGUARDS AND CONTROL OVER FOREIGN INVESTMENT.

16. BASED ON A RATHER OPTIMISTIC SET OF ASSUMPTIONS (1) THE INTERFUTURES PROJECT ESTIMATES THAT THE SHARES OF THE DEVELOPING COUNTRIES (EXCLUDING CHINA) IN WORLD PRODUCTION OF MACHINERY AND OTHER MANUFACTURES WILL RISE FROM 4.9 PER CENT AND 9.1 PER CENT IN 1970 TO AROUND 15 PER CENT AND 20 PER CENT IN 2000. IN ADDED VALUE TERMS, THE ESTIMATION OF THE PROJECT IS THAT THE SHARE OF THE DEVELOPING COUNTRIES IN WORLD INDUSTRIAL PRODUCTION WILL BE 17 PER CENT AND A MORE OPTIMISTIC ESTIMATE IS FOR ABOUT 19 PER CENT CENT IN THE YEAR 2000(2). THUS, TOWARD THE YEAR 2000, THE DEVELOPING COUNTRIES' SHARE OF WORLD INDUSTRIAL PRODUCTION IS LIKELY TO FALL LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 18 STATE 174097

CONSIDERABLE SHORT OF THE LIMA TARGET.

17. IN ITS SUBMISSION TO THE MAY SESSION OF THE COMMITTEE OF THE WHOLE, THE UNIDO SECRETARIAT RECOGNIZES THAT THE OVERALL TARGET IS "UNQUESTIONABLE AN AMBITIOUS GOAL." IT PLACES EMPHASIS ON THE NEED TO ENCOURAGE REDEPLOYMENT OF CERTAIN INDUSTRIES TO DEVELOPING COUNTRIES. IT STRESSES THE NEED FOR ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES. AND IT TOUCHES ON INSTITUTIONAL CHANGES IN UNIDO. DEVELOPING COUNTRIES' REPRESENTATIVES AT THE SEPTEMBER SESSION OF THE COMMITTEE OF THE WHOLE MAY BE EXPECTED TO PURSUE THESE AMONG OTHER ISSUES.

18. A MORE PARTICULAR QUESTION, IN THE INSTITUTIONAL CONTEXT, CONCERNS THE TRANSFORMATION OF UNIDO INTO A SPECIALIZED AGENCY. A CONFERENCE OF PLENIPOTENTIARIES ON THIS SUBJECT WAS HELD RECENTLY, BUT IT FAILED TO REACH AGREEMENT AND THE QUESTION WILL NOW COME BEFORE THE 33RD SESSION OF THE GENERAL ASSEMBLY. IT APPEARS THAT THE MAIN PROBLEMS INVOLVED WERE OF A FINANCIAL CHARACTER, CONCERNING THE FINANCING OF PROJECTS FROM THE REGULAR BUDGET AND THE RELATIONSHIP BETWEEN THE CONTROL OVER THE BUDGET EXERCIZED BY THE CONFERENCE AND THE INDUSTRIAL DEVELOPMENT BOARD. THE COMMITTEE OF THE WHOLE HAD VIRTUALLY AGREED ON A EXT WHICH RECOMMENDED TO THE GENERAL ASSEMBLY THAT IT CON-

VENE A FURTHER PLENIPOTENTIARY CONFERENCE" AS EARLY AS POSSIBLE" AND A SIMILAR RECOMMENDATION HAS BEEN MADE BY THE INDUSTRIAL DEVELOPMENT BOARD.

(1) FUT(78)C.2

(2) OTHER STUDIES INDICATE THAT THE SHARE OF A LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 19 STATE 174097

SMALL NUMBER OF INDUSTRIALIZING DEVELOPING COUNTRIES (BRAZIL, MEXICO, HONG KONG, SOUTH KOREA, TAIWAN, SINGAPORE AND YUGOSLAVIA) IN THE TOTAL INDUSTRIAL PRODUCTION OF DEVELOPING COUNTRIES HAS BEEN INCREASING CONSIDERABLY IN RECENT YEARS (FROM 32 PER CENT IN 1970 TO 40 PER CENT IN 1976).

LEAST DEVELOPED, LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES

19. MEMBER COUNTRIES HAVE BEEN CONCERNED TO MAINTAIN A DISTINCTION BETWEEN THE CATEGORY OF LEAST DEVELOPED COUNTRIES, ON THE ONE HAND, AND THE LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES, ON THE OTHER. THIS DISTINCTION, WHICH WAS PRESERVED AT UNCTAD IV AT NAIROBI, RECOGNIZES THE NEED FOR "SPECIUL MEASURES" FOR LEAST

DEVELOPED COUNTRIES. FOR THE LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES, "SPECIFIC ACTION" IS FORESEEN, WITH THE IMPLICATION THAT SUCH ACTION SHOULD BE SELECTIVE--RATHER THAN GENERAL--IN CHARACTER AND SHOULD BE AIMED TO OFFSET SUCH DISADVANTAGES AS MIGHT ARISE FROM THE GEOGRAPHICAL LOCATION OF THE COUNTRIES CONCERNED. IT SHOULD BE NOTED THAT AT THE TIME OF THE MEETING OF THE EXECUTIVE COMMITTEE IN SPECIAL SESSION, AN INTERGOVERNMENT GROUP OF UNCTAD, ON THESE ISSUES, WILL BE IN SESSION IN GENEVA (17-28TH JULY).

20. AS REGARDS THE LEAST DEVELOPED COUNTRIES, THE REVISED RECOMMENDATIONS ON TERMS OF AID, ADOPTED BY THE DAC LAST MARCH, URGED MEMBERS TO EXTEND ODA TO LEAST DEVELOPED COUNTRIES ESSENTIALLY IN GRANT FORM. THE MEXICO DECLARATION RECENTLY ADOPTED BY THE WORLD FOOD COUNCIL CONTAINS A SIMILAR RECOMMENDATION WITH REGARD TO FOOD AID. DAC STATISTICS INDICATE THAT THE LEAST DEVELOPED COUNTRIES' SHARE OF TOTAL DAC ODA HAS LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 20 STATE 174097

BEEN INCREASING: FROM 12.8 PER CENT IN 1972, TO 16.7 PER CENT IN 1976.

21. THE PARTICULAR PROBLEMS OF THE LAND-LOCKED COUNTRIES AND THE "SPECIFIC ACTION" WHICH THEY SEEK ARE LARGELY CONCERNED WITH PROBLEMS OF TRANSPORTATION. THESE PROBLEMS ARE, IN MOST CASES, OF POLITICO-ECONOMIC CHARACTER, CONCERNED WITH TRANSIT RIGHTS AND ACCESS TO THE SEA--USUALLY WITH NEIGHBORING DEVELOPING LITTORAL STATES. SOME OF THE ISSUES INVOLVED ARE UNDER CONSIDERATION IN THE LAW OF THE SEA CONFERENCE, WHICH WILL BE MEETING IN NEW YORK IN PARALLEL WITH THE COMMITTEE OF THE WHOLE.
SALZMAN

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